

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2642 - HB 2819**

February 13, 2012

**SUMMARY OF BILL:** Transfers jurisdiction of the Off-Highway Vehicle (OHV) Act from the Tennessee Wildlife Resources Agency (TWRA) to the Department of Environment and Conservation (TDEC). All rules promulgated and contracts entered into by TWRA will remain in effect.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue – \$15,000/FY12-13/TWRA  
\$30,000/FY13-14 and Subsequent Years/TWRA**

**Increase State Expenditures – \$10,800/General Fund**

**Decrease State Expenditures – \$15,000/FY12-13/TWRA  
\$30,000/FY13-14 and Subsequent Years/TWRA**

Assumptions:

- TWRA anticipates closure of the Royal Blue riding area at the North Cumberland Wildlife Management Area to OHV use due to lack of funding; permit funding will keep the program operating for a limited time after the effective date of July 1, 2012. Other areas will remain open at North Cumberland.
- Current riding permit revenue is \$75,000 to TWRA annually.
- In FY12-13, permit fee revenue will decrease by \$15,000 due to the closure of the Royal Blue area. Such revenue will decrease an additional \$15,000 (for a total reduction of \$30,000) in FY13-14 and subsequent years.
- Three full-time positions as well as some part-time personnel hours will be cut. TWRA expects the decrease in state expenditures to equal the decrease in state revenue; as a result, \$15,000 in FY12-13, and \$30,000 in FY13-14 and subsequent years.
- Permit revenue reduced to \$45,000 (\$75,000 - \$30,000) will be used by TWRA to maintain the remaining open areas at North Cumberland.
- According to the TWRA, the total cost to run the Off-Highway Vehicle (OHV) program at North Cumberland Wildlife Management Area is approximately \$300,000 per year, with \$225,000 paid with federal funding from Recreational Trails Program (RTP) grants awarded by TDEC to TWRA, and \$75,000 in riding permit revenue. The \$225,000 in federal funding will be retained by TDEC and no longer granted to TWRA.

- Managing the entire motorized RTP grant program will require TDEC to add one additional position.
- TDEC will require one Recreation Services Specialist position to assume the responsibilities. Expenditures for this position will be \$53,786 (\$34,428 salary + \$11,058 benefits + \$8,300 operational).
- Up to 80 percent of these expenditures will be paid using federal RTP administrative funds that TDEC currently receives. The remaining 20 percent will result in an increase in recurring state expenditures from the General Fund of \$10,757 (\$53,786 x 20%).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', written in a cursive style.

Lucian D. Geise, Executive Director

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